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Message Text

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14
ACTION EA-09

INFO OCT-01 ISO-00 SEC-01 FTC-01 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 IO-11 EB-07 COME-00 STR-04 /080 W
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R 020950Z MAR 76
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 7346
INFO AMEMBASSY SEOUL
AMEMBASSY TAIPEI
AMCONGEN HONG KONG
CINCPAC HONOLULU
COMUSJAPAN YOKOTA

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CINCPAC FOR POLAD

E.O. 11652: N/A
TAGS: PINT, JA
SUBJECT: LOCKHEED AFFAIR: SECOND ROUND OF DIET TESTIMONY

SUMMARY. SECOND ROUND OF SWORN TESTIMONY ON THE LOCKHEED AFFAIR BEFORE THE LOWER HOUSE BUDGET COMMITTEE MARCH 1 WAS LARGELY A REPETITION OF EARLY HEARINGS. IT DID, HOWEVER, REVEAL A CONTRADICTION IN THE TESTIMONY OF FORMER AND PRESENT ALL JAPAN AIRLINES PRESIDENTS ON THE QUESTION OF AIRCRAFT SELECTION AND SURFACED FOR THE FIRST TIME, NAMES OF POLITICIANS WHO ARE ALLEGED TO HAVE PLAYED A ROLE IN AN ANA FINANCING SCHEME IN THE LATE 1960'S. OUR IMPRESSION IS THAT QUESTIONERS WERE LACKING IN IMAGINATION, PREPAREDNESS AND ENTHUSIASM, BUT THAT SESSION CONTINUED TO ATTRACT LARGE NUMBER OF RADIO AND TV LISTENERS. END SUMMARY.

1. THE HIGHLIGHT OF THE SECOND ROUND --ELEVEN HOURS--
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OF SWORN TESTIMONY ON LOCKHEED AFFAIR BEFORE THE LOWER

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HOUSE BUDGET COMMITTEE MARCH 1 WAS THE CONTRADICTORY TESTIMONY GIVEN BY FORMER ALL JAPAN AIRLINES PRESIDENT TETSUO OBA AND PRESENT ANA PRESIDENT TOKUJI WAKASA. IN MORNING SESSION OBA FLATLY CONTRADICTED WAKASA'S FEBRUARY 16 TESTIMONY AND RAISED QUESTIONS ABOUT THE ANA DECISION TO PURCHASE LOCKHEED TRISTARS BY ASSERTING THAT HE (OBA) HAD TAKEN AN OPTION ON DOUGLAS DC-10'S IN 1970 HAD SO INFORMED ANA EXECUTIVES, INCLUDING WAKASA, AND ON HIS RESIGNATION IN 1972 HE ASKED HIS SUCCESSOR, WAKASA, TO FOLLOW-UP. LATER IN THE DAY WAKASA REPEATED HIS FEBRUARY 16 TESTIMONY, STATING FLATLY THAT HE HAD NEVER HEARD OF A DC-10 OPTION AND THAT OBA HAD NEVER ASKED HIM TO TAKE ANY ACTION ON THE MATTER. IN ORDER TO CLARIFY THE CONTRADICTION, THE TWO WERE RECALLED SIMULTANEOUSLY TO A LATE EVENING SESSION OF THE COMMITTEE, BUT EACH HELD TO HIS EARLIER STATEMENT.

2. DURING MORNING TESTIMONY, OBA ATTRACTED SOME ATTENTION WHEN HE SAID THAT TWO LDP LOWER HOUSE MEMBERS--FORMER TRANSPORT MINISTER KEN HARADA (MIZUTA FACTION) AND BUICHI OISHI (NAKASONE FACTION)--HAD BEEN REQUESTED BY HIM TO MAKE APPROPRIATE INTRODUCTIONS IN CONNECTION WITH A QUESTIONABLE FINANCING PLAN HE WAS THEN PURSUING. HARADA IMMEDIATELY ISSUED A DENIAL AND OBA LATER ADMITTED HE MIGHT HAVE MADE A MISTAKE. OISHI, HOWEVER, ADMITTED TO GIVING OBA AN INTRODUCTORY LETTER, BUT DISCLAIMED ANY KNOWLEDGE OF HOW IT MIGHT HAVE BEEN USED.

3. DURING AFTERNOON SESSION, A VERY NERVOUS LOCKHEED MANAGER TOSHIYOSHI ONI ADMITTED HAVING SERVED AN INTERPRETER FOR FORMER LOCKHEED VICE CHAIRMAN KOCHIAN WHEN HE CALLED ON THE THEN MITI MINISTER TANAKA, BUT DENIED KNOWING KENJI OSANO, YOSHIO KODAMA OR SHIG KATAYAMA OF THE ID CORPORATION. HE ALSO DENIED ANY KNOWLEDGE OF LOCKHEED'S FINANCIAL TRANSACTIONS, SUGGESTING THAT THEY MIGHT HAVE BEEN CARRIED ON DIRECTLY BETWEEN THE LOCKHEED HEAD OFFICE AND JAPANESE PRINCIPALS.

4. FORMER MARUBENI OFFICIALS LARGELY REITERATED THEIR FEBRUARY 17 TESTIMONY ON THE NATURE OF "PEANUTS"
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RECEIPTS.

5. FOLLOWING OPPOSITION THREATS TO DELAY FURTHER LOWER HOUSE BUDGET DELIBERATIONS IF LDP REFUSED TO HOLD FURTHER DIET HEARINGS ON LOCKHEED AFFAIR, INCLUDING RECALL OF TANAKA ASSOCIATION KENJI OSANO, LDP AND OPPOSITION REACHED COMPROMISE WHEREBY LDP AGREED TO RECALL OSANO AND MARUBENI AND ANA EXECUTIVES IN EXCHANGE FOR OPPOSITION

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AGREEMENT TO ESTABLISHMENT OF SPECIAL COMMITTEE TO INVESTIGATE LOCKHEED AFFAIR. LDP DECISION TO COMPROMISE ON ISSUE WAS MOTIVATED BY HEAVY MEDIA AND INTRA-PARTY CRITICISM OF EARLIER DECISION NOT TO RECALL OSANO AND SERVED TO GET BUDGET DELIBERATIONS MOVING AGAIN.

6. COMMENT. WITH EXCEPTION OF OBA-WAKASA STANDOFF ON QUESTION OF DC-10 AND OBA'S SUGGESTION THAT POLITICIANS HAD BEEN INVOLVED IN ANA FINANCING SCHEMES, MARCH 1 HEARING DID NOT BREAK ANY NEW GROUND. IT DID RAISE FURTHER QUESTIONS, HOWEVER, ABOUT ANA REASONS FOR SELECTING THE TRISTAR AND LEFT THE DEEP IMPRESSION HERE THAT THERE HAD BEEN SOME OUTSIDE POLITICAL PRESSURES AT THE TIME, THE POSSIBILITY OF THE INVOLVEMENT OF POLITICIANS IN ANA FINANCING SCHEMES RAISED EYEBROWS, BUT IT IS UNLIKELY THAT IT WILL PROVIDE A NEW LEAD IN THE INVESTIGATION. ONE GETS THE IMPRESSION HERE THAT QUESTIONERS WERE SINGULARLY LACKING IN IMAGINATION, HAD NOT DONE THEIR HOMEWORK AND PERHAPS LACKED ENTHUSIASM. DESPITE THIS, HOWEVER, HEARINGS ATTRACTED LARGE NUMBER OF TV VIEWERS. SHOEMITH

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